



Legislation Text

File #: 2018-822, **Version:** 1

Contract #: RFB -1105

Just-In-Time Maintenance, Repair and Operations (MRO) - Contract

Agenda of: July 25, 2018

Item No.:

Amount: Not to exceed \$ 1,832,703.72 Two Years

\$ 916,351.86 First Year Renewal Option

\$ 916,351.86 Second Year Renewal Option

\$ 3,665,407.44

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: July 25, 2018

RE: **Contract No.: RFB -1105**
Just-In-Time Maintenance, Repair and Operations (MRO)
Vendor: W. W. Grainger, Inc.

MOTION

Upon recommendation of Gaylor Johnson, Chief Procurement Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to enter into Contract No. RFB-1105, "Just-In-Time Maintenance, Repair and Operations (MRO)" with W. W. Grainger, Inc., at a cost not to exceed \$1,832,703.72 for a duration of two years with two one-year renewal options at \$916,351.86 per year; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (GLWA) has determined that it is in the best interest of the organization to continue with the Desktop Delivery of Maintenance, Repair and Operation (MRO) supplies. Since the original MRO contract began in

2014, GLWA has been able to remove obsolete and slow-moving stock items that occupied warehouse space unnecessarily.

The average cost of MRO supplies stored in the warehouse represented approximately 2% of the current inventory stored. The various MRO supplies ordered will be used throughout all GLWA plants and facilities.

JUSTIFICATION

The continuation of this MRO contract will allow the organization to operate in an efficient manner. The MRO contract will allow GLWA to continue to optimize valuable warehouse space, provide delivery of items not frequently ordered and delivery of special order type items to the various GLWA end users.

FINANCIAL PLAN IMPACT

These items are expensed throughout GLWA's Operations and related budget. These items are small dollar purchases limited to \$2,000 per order and subject to a GLWA automated approval process with internal controls between the operational requisitioner and the authorized, independent Logistics & Materials team member.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This award of this contract continues the optimal practice of just in time delivery of recurring, low dollar, and in some instances, high volume purchases.

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors for consideration.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.